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## FAQs about S. 1846 and H.R. 3370 – The Homeowner Flood Insurance Affordability Act

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### Summary

The Homeowner Flood Insurance Affordability Act (S. 1846 and H.R. 3370) was introduced in October 2013 in an effort to pause dramatic flood insurance premiums caused by the Biggert-Waters Act of 2012.

**Question:** Which properties are covered under these bills?

**Answer:** The following properties are covered:

- All post-FIRM properties (properties built to code after the adoption of FEMA maps in their communities) including primary residences, businesses, and second homes, will be covered for the full four year delay under S. 1610 and H.R. 3370
- Pre-FIRM primary homes (properties built before the introduction of FEMA maps in their communities) keep their subsidized rates under Biggert-Waters, but lose them immediately at the point of sale. S. 1610 and H.R. 3370 remove the property sales trigger so the new owner will be able to retain the subsidized rate
- Pre-FIRM second homes and businesses will continue to see premiums rise 25% a year off the current premium until the full risk rate is achieved, but the property sales trigger that requires new purchasers to assume the full premium immediately is removed. This means that the new purchaser can assume the policy and still take advantage of the phase in of the higher rate

**Question:** What happens to pre-FIRM property owners who have already paid the new, higher premium? Will they be reimbursed?

**Answer:** Pre-FIRM property owners who have already paid a new, higher premium will not be reimbursed, but the bill is retroactive so those policy holders should be able to revert back to paying the old rate.

**Question:** If I am a pre-FIRM property owner whose insurance lapsed, can I purchase insurance at the subsidized rate under this legislation?

**Answer:** Yes provided that the policyholder was not required to have flood insurance when the lapse occurred.

**Question:** If I purchased a pre-FIRM Property after the Biggert-Waters Act was enacted (7/6/12), can I keep my current rate?

**Answer:** Yes.

**Question:** Is the basement exception preserved in the legislation?

**Answer:** Yes.